



Performance-Driven Learning: Putting the Horse Before the Cart to Lead Organizational Growth

Automating Employee Development Based on Performance Objectives with Integrated Talent Management Technology

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e-Learning Is Back, and This Time We Need It

The momentum of e-Learning in the late 1990's was fueled by the goal of "providing on-demand learning where and when employees needed it most—on the job." However the approach to how learning and development was defined, specifically as learning-for-learning's-sake, fell short for one critical reason: it did not consider the strategic vision of developing talent while driving overall organizational performance.

The concept of "performance-driven learning" is key to successfully managing employee development that impacts your organization's bottom line and gains the highest return on your learning and development investment.

e-Learning has made a comeback, in part because many organizations are recognizing the inherent need to link learning to other areas of workforce management, such as performance management and succession planning. Linking your learning initiatives with key performance indicators and aligning human capital resources with organizational objectives is the critical step to achieving organizational success.

Today, forward thinking human resources (HR) executives are viewing learning management as a strategic component of their overall talent management mission, and leveraging integrated talent management application suites as their vehicle to drive optimum employee performance.

Definition

Putting the "horse before the cart" means performance must drive development goals and learning priorities - not the other way around, or one without the other.

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Putting the Horse Before the Cart

Peter Senge's vision of organizational learning and systems provided a foundation for how organizations should view learning holistically. In order to achieve the objective of improving on-the-job behavior that supports business strategy and strategic goals, organizations must link learning and development to performance and organizational goals. This is a key requirement for every organization that invests in developing its workers to maintain retention and impact future organizational growth.

In successful organizations today, putting the "horse before the cart" means performance must drive development goals and learning priorities – not the other way around, or one without the other. Learning management should be less about coordinating resources and serving up just-in-time courseware, and more about how worker development is intrinsically a part of a larger organizational development process – the process of nurturing talent and driving performance to impact the bottom line.

Some organizations have reorganized their HR and training departments to be led by a Chief Learning Officer (CLO), with learning management and leadership development reporting to the CLO along with other learning specialists. The danger of this approach is that an organization can lose the necessary drivers (such as performance goals and competency requirements) that lead to increasing employee skill levels that are linked directly with organizational objectives and priorities.

The Ideal Scenario

The strategic view of nurturing talent includes prioritizing and defining development plans based on the needs of both the individual and the organization. The ideal scenario includes the following:

- Key organizational objectives are cascaded across the enterprise
- Individual performance goals are linked to organizational objectives to ensure focused direction
- Competencies are defined and used as the basis for job profiles
- 360 feedback from peers and managers highlight competency gaps and additional focus for individual development
- Skill gaps identified from job profiles and talent profiles highlight other potential deficiencies
- Learning priorities and development plans are based on these jointly developed performance goals from the identified skill and competency gaps
- Learning management includes blended solutions (e.g., web-based, classroom) to meet the diverse development needs of different roles
- Learning content management enables subject matter experts across the organization to easily contribute to learning courseware
- e-Learning includes personalized learning paths to provide the most needed development on demand (just in-time)



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Taking the cycle a step further, learning and development objectives can be tied directly to compensation and incentive programs to further reinforce the importance of development programs as they relate to key organizational objectives. Learning can also be linked to succession planning to ensure future successors are ready and bench strength is adequate to meet the leadership needs of the company.

The holistic view of organizational learning must be considered a key integrated component of talent management and incorporate a variety of components for learning to play a strategic role in organizations.

Strategic Talent Management System Components

The primary talent management processes and system components for successfully linking performance and development include:

- **Workforce Planning:** Plans, schedules, budgets, tracks, and allocates employee resources
- **Hiring & Recruiting:** Streamlines the entire hiring lifecycle from requisition to candidate selection
- **Succession Planning:** Identifies, prepares, and tracks high potential employees for promotion



- **Career Development:** Enables competency-based employee development and career planning
- **Learning Management:** Automates and manages Web- and classroom-based employee learning and training
- **Performance Management:** Optimizes performance management processes and aligns employee development and goals with corporate objectives

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- **Compensation Management:** Simplifies planning, modeling, budgeting, and analysis of compensation policies
- **360 Feedback:** Automates the entire 360 coaching and employee development process
- **Social Collaboration:** Enables new forms of collaboration, learning, community development, and networking
- **HR Management:** An enterprise-level HRMS that centralizes, consolidates, and integrates key HR information
- **Workforce Analytics:** Provides analysis of workforce metrics and key performance indicators

Integration is Critical

True talent management system integration, versus integration through bolted-on technology, is crucial to get the most from a learning management process. Decentralized and disconnected HR data can degrade the employee development process and present an incomplete view of development achievements and talent performance. Integration should include at a minimum performance and goal management, competencies, 360 feedback, succession planning, and learning management.

Development priorities must be linked with performance goals and organizational objectives. Courses need to be aligned with competencies for effective learning automation. All behavioral assessments are linked to individuals and their positions, and are related through a competency framework. This competency framework is the common thread that provides the basis for various talent management suites to support an integrated process. For example, employees can sign up for courses that relate to the skill gaps identified from 360 feedback assessments or recognized during the hiring process. Managers can then monitor the effectiveness of learning in meeting the organization's goals.

Learning initiatives are best viewed as the derivative actions defined by the other talent management processes. Change last sentence to: When evaluating talent management system options, seek solution vendors that provide a complete solution and have proven successful customer deployments.

Blended Learning Approach

Successful learning implementations must also strive for a blended approach to development to meet the diverse needs of different types of learners and skill requirements.

An optimal blended learning approach must be capable of delivering and managing a wide range of learning experiences and resources such as classroom courses, third-party seminars, on-the-job training activities, publications, audio and video materials, online courseware, virtual classrooms, video conferencing, online coaching and mentoring, online collaboration, and other online resource libraries.

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There are typically three groups of courses to support the major areas of development.

- **Soft-Skill Development:** Targets the improvement of the individual's competencies and behaviors
- **Functional Skill Development:** Targets the employee's improvement of "hard skills" such as software skills or other functional skills like accounting
- **Compliance Development:** Compliance content that includes compliance training, such as safety training, harassment training, and/or diversity training. This type of training supports regulatory as well as legal requirements. Learning automation tracks compliance training, and keeps a record for future reference. For some organizations, management of compliance needs is justification alone for automating learning

Within a truly integrated talent management suite, automated learning reports provide management with visibility into training cost-effectiveness and how training is linked to performance indicators. Measuring who has taken what classes provides the ability to track skill improvements and an employee's progress, as well as how they are supporting their performance goals. Learning automation maximizes the training dollars spent by ensuring that courses represented in the course catalog are relevant to the objectives of the organization. For example, if six of the same management courses only reach fifty percent attendance, an organization can make the decision to cut the number of courses the following quarter.

Successful Implementations

Automating learning should not be viewed as simply providing a course catalog and scheduling tool that is filtered for the various roles in the enterprise. In leading organizations, it is viewed as a people-centric process that can link with other strategic initiatives and deliver content based on requirements defined by desired employee behavior and goals.

In a succession planning process, for example, the various required learning interventions are not defined by filtering a course catalog, but by providing meaningful courses and content relative to the individual's dynamic development plan and career goals. An integrated talent management system helps facilitate the cultural change of the learning process, increase the value of the learning content, and provide an optimal learning experience.

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For a successful implementation, start by selecting a project team comprised of both internal and solution provider members who are committed to focusing their time, effort, and attention on executing the project regardless of obstacles. Include representatives from HR, Training, Compliance, Performance, Finance, IT and functional areas on the team. Roles and responsibilities of each internal and solution provider team member must be clearly defined.

Most importantly, have a team leader and project champion who understands the cross-functional requirements and can expedite rapid decisions. Relying on a committee (or any combination of multiple people) for making these decisions can consume a great deal of time and unnecessarily extend the deployment time table.

Have reports in place from the very beginning of the rollout to track trends and patterns in utilization and acceptance by learners. Use this information to spot problems and guide remedial action related to courses, students, and the rollout plan.

Conclusion

Automating the learning process, while linking it with other strategic talent management components, is critical for improving organizational performance. Simply tracking learning participation and effectiveness is not enough to meet the CEO's and other executives' goals of driving business performance, impacting the bottom line, and increasing shareholder value.

Successful organizations are leveraging complete talent management application suites to achieve more than just process automation. Organizations are turning to talent management suites to link strategic functions such as goal alignment, performance management, competencies, compensation, development, and succession planning. By linking these critical components, your organization can better manage, motivate, reward, and improve the skills of every individual employee across your organization.

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About SumTotal

SumTotal Systems, Inc. is the global leader in complete talent management software that enables organizations to more effectively drive business strategy. Recognized by industry analysts as the most comprehensive talent management solution, SumTotal provides full employee lifecycle management, including a core system of record, from a single provider for improved business intelligence. The company offers customers of all sizes and in all industries the most flexibility and choice with multiple purchase, configuration, and deployment options. With more than 1,800 customers and 25 million users worldwide, we have increased the performance of the world's largest organizations.

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